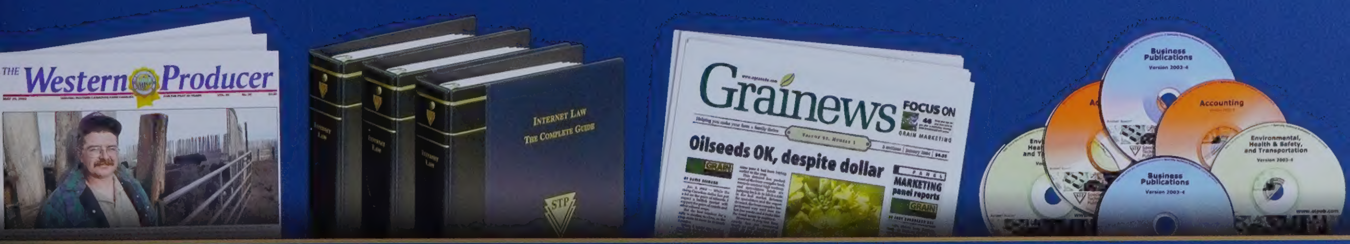
Glacier Ventures International Corp.

An information communications company

Annual Report 2003



The Vision

Be an industry leader in the communication of essential information and related services through print, electronic and online media.

The Mission

Maximize shareholder value through the acquisition and operation of information communication companies that generate stable and increasing revenues by providing customers with information that is essential to their needs.

The Culture

Be dynamic, entrepreneurial and independent, emboldened by a commitment to our people and their growth, our customers and their success, and our shareholders and their value.

Glacier Financial Highlights

	Year ending Dec. 31, 2003	Per Share	Year ending Dec. 31, 2002	Per Share	Year ending Dec. 31, 2001	Per Share
Revenue	$ 28,892,931	$ —	$ 27,388,659	$ —	$ 13,021,407	$ —
Gross profit	$ 10,010,445	$ —	$ 9,397,808	$ —	$ 4,515,803	$ —
Gross margin	34.6%		34.3%		34.7%	
EBITDA (1)	$ 6,111,399	$ 0.263	$ 5,030,849	$ 0.234	$ 1,601,200	$ 0.101
Margin	21.2%		18.4%		12.3%	
Interest expense, net	$ 246,909	$ —	$ 611,641	$ —	$ 444,161	$ —
Net income (loss)	$ 2,500,434	$ 0.108	$ 225,900	$ 0.010	$ (256,076)	$ (0.016)
Capital expenditures	$ 201,388	$ —	$ 8,154	$ —	$ 11,006	
Cash flow from operations (2)	$ 5,860,143	$ 0.252	$ 4,503,808	$ 0.209	$ 1,157,039	$ 0.073
Total assets	$ 65,681,981	$ 2.824	$ 51,664,198	$ 2.399	$ 43,539,718	$ 2.734
Net debt (3)	$ 12,555,846	$ 0.540	$ 7,470,527	$ 0.347	$ 3,630,414	$ 0.228
Shareholders' equity	$ 34,908,819	$ 1.501	$ 28,125,614	$ 1.306	$ 23,248,948	$ 1.460
Weighted average shares outstanding, net	23,256,798		21,535,274		15,924,271	

(1) Earnings before interest, taxes, depreciation and amortization.

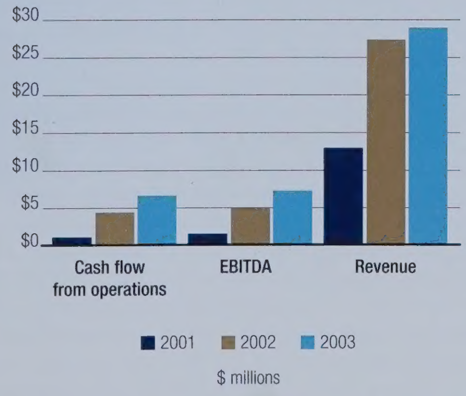
(2) Cash flow from operations before changes in non-cash operating accounts.

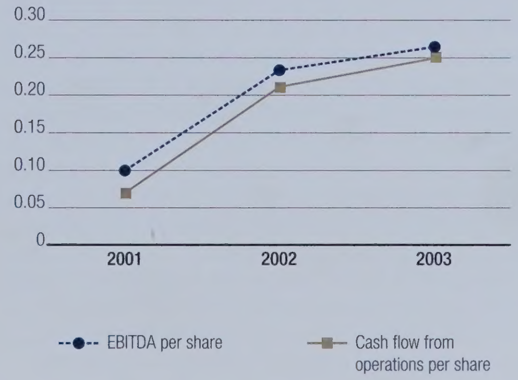
(3) Bank debt less cash on hand.

Glacier Continues to Grow in 2003

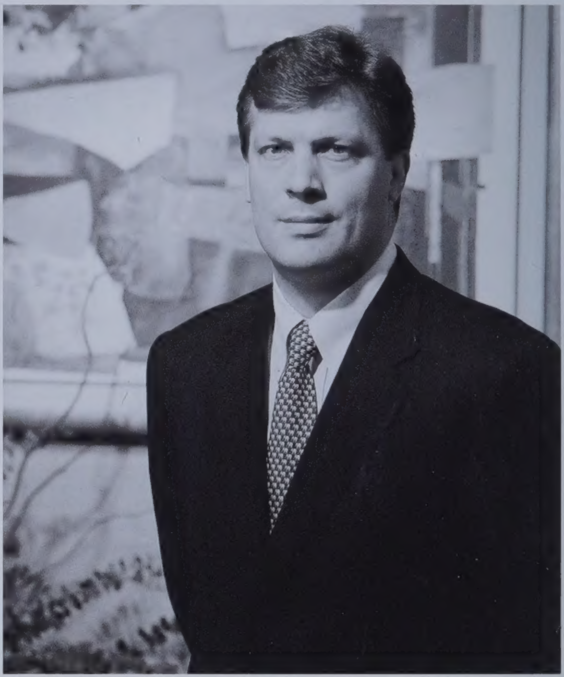
Glacier had another strong year in terms of financial performance, share price appreciation and development of our information communications business.

- Glacier became the largest provider of agricultural information in Canada by acquiring Farm Business Communications (FBC) in October 2003. The FBC group of publications are primarily niche oriented agricultural periodicals that complement *The Western Producer*.
- Glacier generated strong internal growth in profitability. Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) of our existing businesses (excluding FBC) grew 15.9% for the year ending December 31, 2003. Total consolidated EBITDA grew 21.5% to $6.1 million in 2003 compared to $5.0 million last year.
- Consolidated cash flow from operations per share (before changes in non-cash operating accounts) increased 20.6% over last year to $0.252 per share for the year ending December 31, 2003, as compared to $0.209 per share last year.
- Consolidated cash flow from operations (before changes in non-cash operating accounts) grew to $5.9 million from $4.5 million last year.
- Consolidated revenue grew to $28.9 million for the year ending December 31, 2003 from $27.4 million last year.
- Glacier generated a 18.6% cash return on equity for the year ending December 31, 2003, based on consolidated cash flow from operations per share (before changes in non-cash operating accounts) divided by average consolidated shareholders' equity.
- Glacier's share price on the Toronto Stock Exchange responded favourably over the year to this performance.





Report to Shareholders



Jonathon J.L. Kennedy
President and Chief Executive Officer

Glacier focuses on growth by acquiring and operating companies that provide essential information in two core segments: 1) the business and professional market and 2) the newspaper and trade publication market.

Glacier grew successfully in 2003 by increasing the profitability and cash flows of our existing businesses and by acquiring Farm Business Communications to augment our agricultural publications. Subsequent to year end, Glacier also acquired the Boundary Publishers Group of community newspapers in Saskatchewan.

Glacier generated $5.9 million of cash flow from operations (before changes in non-cash operating accounts) on revenue of $28.9 million for the year ending December 31, 2003, as compared to $4.5 million on revenue of $27.4 million for the year prior.

Cash flow from operations (before changes in non-cash operating accounts) per share grew 20.6% compared to last year.

This past year we were able to achieve an appropriate balance of 1) acquiring a strong group of agricultural publications that complement *The Western Producer*, 2) financing the acquisition with a prudent amount of leverage, 3) managing our operating businesses well, 4) utilizing cash flow from operations to continue to pay down acquisition debt, and 5) raising sufficient equity to maintain a strong financial position while growing our per share value. This performance was partially reflected in the appreciation of our share price on the Toronto Stock Exchange, which increased significantly over the year.

Glacier management focuses on operating cash flow per share as our primary financial measure of operating profitability, free cash flow and value. Earnings before interest, taxes, depreciation and amortization (EBITDA) per share is also an important measure because Glacier has low ongoing capital expenditures, and amortization largely relates to acquired intangible assets and does not represent a corresponding sustaining capital expense. Management closely monitors free cash flow (operating cash flow net of capital expenditures, debt service and investment in working capital) to measure ongoing overall cash flow strength. From a financial perspective, acquisitions are assessed on free cash flow and related investment return basis, amongst other things.

Overall, we are pleased with the continued growth in value achieved over the past year, as measured by the increase in Glacier's operating cash flow per share, the strengthening of our financial position, and the expansion of our company through the acquisitions of Farm Business Communications and the Boundary Publishers Group. Importantly for our shareholders, this growth in value was reflected by the increase in our share price over the year.

Acquisition of Farm Business Communications

Glacier acquired the assets of Farm Business Communications from Agricore United on October 9, 2003 for $14.6 million and the assumption of approximately $1.6 million in net liabilities, being primarily prepaid subscription liabilities. Glacier paid $12.5 million in cash initially for the FBC assets including transaction costs and will pay a further $2.1 million in non-interest bearing equal instalments over three years through vendor financing from Agricore United. Glacier financed the acquisition with $4.2 million of cash raised through the issuance of common shares in July and the remainder with bank borrowings. As part of the transaction, Agricore United separately contracted to continue purchasing advertising services from Glacier consistent with advertising levels historically placed by the company with the FBC division, which will be a minimum of $1 million annually for six years. FBC generated approximately $10 million of revenue for the twelve months ending June 30, 2003.

Through the acquisition of the FBC business and our ownership of Western Producer Publications, Glacier is now the largest publisher of agricultural information in Canada. FBC publishes a number of targeted farm business magazines, periodicals and regional newspapers, including *Grainews, Country Guide, Country Guide Ontario, Canola Guide, Canadian Cattlemen, The Manitoba Co-operator, Wheat Oats & Barley, Alberta Express, Big Dealer, Disease, Weeds & Insects, Soybean Guide* and other specialty publications. By virtue of their targeted periodical nature, these publications complement *The Western Producer*, which covers the agricultural industry weekly on a broader basis with a greater focus on news and policy, in addition to technical information and supplements.

Through this diversified group of agricultural publications, Glacier is now able to i) offer a wider range of both specialized and comprehensive news and information to western Canadian farmers and ranchers, and ii) deliver both targeted and mass penetration of the western Canadian agricultural marketplace as well as a powerful and comprehensive database of farmers and ranchers to better enable advertisers to reach their desired audiences.

While the agricultural industry is cyclical and seasonal, the agricultural publications Glacier now owns have a history of generating steady revenues and profits given the essential nature of their content.

Western Producer Publications

Western Producer Publications had another strong year in 2003. While revenue was flat at $14.9 million, earnings before interest, taxes, depreciation and amortization increased to $4.9 million for the year ending December 31, 2003 from $4.5 million the year prior.

This achievement was realized despite continued difficult farming and ranching conditions in many parts of western Canada. Weather conditions continued to be difficult across the prairies, although better than the more severe conditions suffered in 2002. The continued challenging crop conditions and the closing of the U.S. and Japanese markets for Canadian beef due to one isolated case of mad cow disease put some strains on WPP's advertisers. Despite this adversity, advertising volumes for WPP held at the same levels as the year prior. This is testimony to the essential nature of the information provided by WPP and its importance to its readers and advertisers. WPP's content focuses on agricultural issues and useful practices relevant to farmers and ranchers to help assist them with the successful operation of their businesses, and help mitigate the effects of drought and ongoing farming conditions. The need for advertisers' products also remains strong because specific types of seeds, fertilizers, pesticides, efficient farm machinery and other products are of critical importance to farmers and ranchers facing adversity in difficult times.

WPP's operating results primarily reflect steady revenues and lower operating expenses achieved through a variety of initiatives.

Report to Shareholders

The benefits of acquiring and building essential information companies have been demonstrated by Glacier's performance and strengthening financial position. This strong base will provide for continued growth both internally and through new acquisitions.

Specialty Technical Publishers

Specialty Technical Publishers continued to face a difficult sales environment in the United States, its primary market. New subscription sales were down 5.2% from last year and renewal sales decreased 4.4% over the same period. The reduction in orders lost after the events of September 11, 2001 resulted in lower new sales in 2002 and consequently lower renewals in 2003. We are encouraged that subsequent to year-end, Specialty Technical Publishers' trial orders increased significantly, which bodes well for a recovery in revenues. A number of economic indicators are now suggesting that the U.S economy and corporate earnings may be recovering. This should improve Specialty Technical Publishers' sales prospects once the economic recovery translates into increased client budgets and spending.

Despite the decline in revenue, Specialty Technical Publishers' EBITDA increased to $2.4 million for the twelve months ending December 31, 2003 from $2.3 million the year prior as a result of several cost reduction initiatives and the sale of certain higher margin publications and products.

In order to offset the continued weakness in the U.S. economy, Specialty Technical Publishers launched four new publications in 2003, including among other things publications in Canada and Mexico, and concentrated efforts on the most successful launch in its history, *Employment Law: Solutions for the Canadian Workplace.*

The division also continued to develop electronic content, introducing TrendTracker®, an online handheld device that provides environmental audit guide content electronically through a strategic alliance with Marsh Inc., the world's leading risk and insurance services firm. Specialty Technical Publishers also launched an initiative to offer online access to its environmental health and safety content through a strategic alliance with Citation Publishing, an online provider of U.S. federal regulations.

In keeping with its strategy of new publication development, the division has seven new titles scheduled for launch in 2004, three of which are targeted specifically for Canada and Mexico.

The size of the information communications market and its many niches continues to offer Specialty Technical Publishers great potential for growth. We are hopeful that the concerted efforts to build the business will be rewarded as the American economy improves. We are also optimistic that continued market penetration will be achieved in other markets such as Canada and Mexico.

Acquisition of Boundary Publishers Group

Subsequent to year-end, Glacier acquired 92.5% of the shares of the Boundary Publishers Group, which publishes a group of community newspapers based in Saskatchewan including *The Assiniboia Times, The Carlyle Observer, The Estevan Mercury, The Southeast Trader Express, Yorkton This Week* and *Yorkton This Week Marketplace.* As part of the transaction, Glacier acquired adequate working capital and the real estate used by the publishing operations in each community. The operations generated $4.9 million of revenue for the year ending December 31, 2003 and have a combined weekly distribution of over 60,000.

Strategically, these community newspapers extend Glacier's reach into the local and regional diversified advertising and reader market of Saskatchewan where our farm publications have a strong presence. Our farm publications rely more on larger regional, national and multi-national advertisers. While some Saskatchewan communities have suffered declining population, Glacier believes that a number of communities in the province are stable and have solid long-term economic prospects. According to many economic forecasts, the Province of Saskatchewan has a strong economic outlook, with one of the highest real GDP growth expectations for 2003 and 2004 in Canada. Glacier's strategy

is to acquire newspapers in these attractive communities and generate business synergies through printing, publishing, group advertising, cross promotion and other activities.

Each of the acquired newspapers is the primary source of news and information for the communities it serves. As such, the publications align with Glacier's strategy of acquiring and building information communications businesses that provide essential information and related services. With the acquisition, Glacier's group of newspaper and magazine publications now has a combined distribution of almost 400,000 across western Canada.

Financial Position Continues to Strengthen

The benefits of acquiring and building essential information companies have been demonstrated not only by Glacier's operating performance, but also by the continued strengthening of our financial position. Glacier generated $5.9 million of cash flow from operations (before changes in non-cash operating accounts) in 2003. This cash flow was primarily used to pay and accelerate our principal repayments.

Investor confidence in our business strategy and the quality of our businesses allowed Glacier to raise $4.2 million of equity at $1.30 per share in the third quarter of the year, which represented a premium to the market trading price at the time.

As a result of strong operating cash flows and the private placement, Glacier made $7.2 million of principal payments during the year, $5.5 million more than required by our loan agreements. Combined with the new equity raised, this allowed Glacier to borrow additional debt to acquire Farm Business Communications in October and the Boundary Publishers Group in March 2004, and still maintain a strong balance sheet. As at December 31, 2003, Glacier had total assets of $65.7 million, shareholders' equity of $34.9 million and net debt of $12.6 million.

It should be noted that our year-end balance sheet and aggregate common shares outstanding reflect the new equity raised and the increase in borrowings incurred to finance the $14.6 million acquisition cost of Farm Business Communications. However, only $0.3 million of EBITDA was included in our consolidated financial statements, as the acquisition was completed effective October 1, 2003 and the last two quarters of the year are the slower seasons in the agricultural industry, which results in lower revenues and cash flows during this period.

As a result of these factors, per share earnings, per share EBITDA, per share cash flow and per share shareholders' equity amounts are lower than what would be expected once financial results are reflected for a full year subsequent to the acquisition and financings.

Shareholders' equity per share is also lower than might be expected as a measure of value as compared to cash flow per share. This is partially because Glacier's net income is reduced by a) amortization of intangible assets that do not have a corresponding annual sustaining capital expenditure and b) significant non-cash deferred tax expense.

Glacier has also chosen to repay debt faster than required by our banking facilities and maintain lower ongoing debt to capital ratios as a result. Consequently, Glacier has excess borrowing capacity that could be utilized to complete more acquisitions in order to increase cash flow, earnings and shareholders' equity.

Glacier's strategy has been and continues to be focused on 1) acquiring and building strong cash flow generating information communications businesses, 2) utilizing prudent amounts of debt and equity to finance these acquisitions, 3) repaying the debt as quickly as reasonably possible and 4) maintaining a balance of managing our existing businesses and pursuing growth through acquisition. We believe this balance is better for greater long-term stability and sustainable growth.

In Summary

Overall, we are pleased with the continued growth in value achieved over the past year, as measured by the increase in Glacier's operating cash flow per share, the strengthening of our financial position, and the expansion of our company through the acquisitions of Farm Business Communications and the Boundary Publishers Group. Importantly for our shareholders, this growth in value was reflected by the increase in our share price over the year.

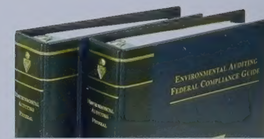
I would like to thank the management and staff of Western Producer Publications, Farm Business Communications and Specialty Technical Publishers for their considerable efforts and achievements during 2003. I would also like to thank our Board of Directors for their continued advice and stewardship of Glacier, and welcome Mr. Brian Hayward to our Board. Mr. Hayward is the Chief Executive Officer of Agricore United, one of North America's largest agri-businesses. It is with regret that we announce the resignation of Mr. Richard Whittall from the Board of Directors. Mr. Whittall resigned his position as Director subsequent to year end. We wish to thank Mr. Whittall for all his hard work and valued counsel during his years on the Glacier Board.

It is with great sadness that I report that John Collison died tragically during the past year. John was President of GVIC Communications and oversaw *The Western Producer* business. While our publisher and staff at *The Western Producer* have continued on with admirable success, we miss a great friend and business colleague.

On a happier note, we are encouraged about the strengthened position of Glacier, the potential for our operating divisions, and the acquisition prospects we are currently reviewing. Glacier now has a larger base of businesses that we can build upon. This should provide for continued internal growth, and allow our acquisitions to be even more accretive through the increased potential for synergies and collective creativity.

Jonathon J.L. Kennedy
President and Chief Executive Officer

Specialty Technical Publishers



Core Business

Specialty Technical Publishers produces 110 essential regulatory compliance guides for professionals in Canada, the United States and Mexico, sold in loose-leaf binder and electronic formats, including CD-Rom, Internet, corporate intranet and online newsletters.

Essential Content

The guides interpret and clarify legal and compliance issues crucial to business success, including essential information for Business Law, Accountancy, Environmental Health and Safety, Transportation, Training and Human Resources Management.

Annual Renewals

The guides, updated quarterly, are sold through inside telephone sales on a 30-day trial and are renewed by customers through annual subscriptions.

Specialty Technical Publishers experienced an improvement in customer demand and initiated a number of new products in 2003 aimed at long-term expansion into new markets. The publisher also solidified an exclusive strategic alliance with one of the largest risk and insurance services firms in the world.

Specialty Technical Publishers markets publications predominately to the United States—a market which accounts for about 80% of all subscription and renewal revenues.

As new publications come on line, new markets expand and the U.S. economy continues its recovery and client budgets and spending recover Specialty Technical Publishers anticipates progressively stronger revenues.

New Markets

To expand its market base into Canada and Mexico, the publisher initiated a number of new publications, including the most successful launch in its history, the first designed for the Canadian market—*Employment Law: Solutions for the Canadian Workplace.* Launched in late 2002, sales of the publication progressed strongly in 2003, with the first renewal income achieved as annual subscriptions became due near year-end.

New Publications

The success of *'Employment Law'* encouraged the publisher to assign expert authors to develop two new publications to be introduced within Canada in 2004: *Workplace Violence Prevention Guide for Canada* and *Privacy and Information Protection in Canadian Business*, the latter providing interpretation and analysis of PIPEDA, the Personal Information Protection and Electronic Documents Act recently introduced in Canada.

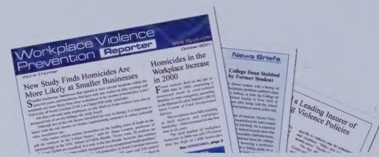
New Spin-Offs

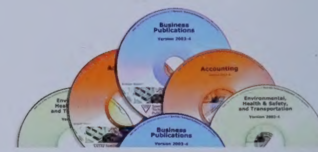
The publisher will also introduce a 'companion' version of '*Employment Law*' for the U.S. market: the *Labor and Employment Law Guide* for public sector companies, scheduled to be released toward the end of 2004.

Another new publication extended the publisher's reach into a new Human Resources market. *Workplace Violence Prevention: A Practical Guide* was particularly successful in the U.S., and the publisher will launch a *Homeland Security, Privacy and the U.S. Patriot Act* manual by mid- 2004.


Environmental Compliance
in California
The Simplified Guide

Specialty Technical Publishers





Electronic Synergies

In an exclusive alliance with Marsh Inc., the world's leading risk and insurance services firm, Specialty Technical Publishers introduced TrendTracker® in 2003—a revolutionary online automated Environmental Health & Safety audit tracking system that allows customers to track, create and perform audits accurately and efficiently on PC, hand-held PC or the Web, creating a significant technological advantage within this compliance field.

The publisher also provides major clients access to content through corporate intranet options.

Recent Products

Nine new publications have been introduced over the past two years, including two of the strongest sellers: *Workplace Violence Prevention Reporter* and *Employment Law: Solutions for the Canadian Workplace*, the most successful launch in the publisher's history. Based on the success of 'Employment Law,' Specialty Technical Publishers will expand the Canadian market with two new products in 2004.

Scheduled Products

Scheduled new products for 2004 include:

1. *Homeland Security, Privacy and the Patriot Act*
2. *Occupational Health and Safety for Mexico*
3. *Privacy and Information Protection in Canadian Business*
4. *Workplace Prevention Guide for Canada*
5. *Revenue Recognition Guide*
6. *Construction Defect Litigation Guide*
7. *Labor and Employment Law Guide for Public Sector Companies in the United States*

New Authors

To develop new publications for fresh and existing markets, the publisher actively and successfully recruited new authors to expand the company's catalogue of Business Law and Environmental Health and Safety (EH&S) products.

New Technology

The publisher also introduced TrendTracker®, an entirely new online technology that gives Specialty Technical Publishers an exclusive competitive advantage within the EH&S market. In a strategic alliance with Marsh Inc., the world's leading risk and insurance services firm, Specialty Technical Publishers provides detailed regulatory information, checklists and analysis which allow users to track, create and perform environmental, health and safety audits from a PC, hand-held wireless or the Web. The publisher retains copyright to all content provided to TrendTracker® and Marsh Inc.

New Online Presence

A marketing alliance was also arranged with Citation Publishing Inc., an Arizona-based provider of U.S. federal regulations through the Internet site, *CyberRegs*, which, beginning in 2003, allows customers to access Specialty Technical Publishers' EH&S *State Differences* content online.

The publisher's own site, *www.stpub.com*, was revised in 2003. An Electronics Projects Coordinator was appointed to improve and expand the company's Internet presence by marketing publications to professional associations.

Expanded Telemarketing

While the Internet played an increasingly important marketing role in 2003, inside sales by means of the telephone remains the dominant sales medium. With the launch of each new publication, the publisher continued the policy of employing additional sales staff to increase overall sales.

Sales staff received mentoring, training programs and incentives to improve performance—while maintaining the serious professional standards demanded by the company. Over the year, a variety of authors personally addressed the sales staff on general matters and interacted one-on-one with sales people; telephone conferences were arranged between staff and other authors; and editorial staff contributed in-service training.

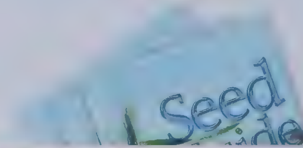
Price Increases

Because the U.S. economy was still in recovery, price increases for both new sales and subscription renewals in 2003 were modest, in line with inflation. As the economy improves, moderate increased prices become a more realistic option.

New Niches

The size, growing sophistication and variety of the information communications market continue to offer niches that are attractive to Specialty Technical Publishers. The publisher closely monitors political and economic trends in North America and is tactically organized to pursue opportunities and quickly adapt to changing market dynamics.

Western Producer Publications



Core Business

Western Producer Publications publishes *The Western Producer*, Canada's largest weekly agricultural newspaper—a broadly based publication tightly focused on commercial agriculture. WPP also publishes several related supplements.

Western Producer

In its 80th year in 2003, *The Western Producer* continues to deliver essential information to western Canadian farmers and ranchers concerning government and farm issues, general agriculture news, markets and pricing, livestock, farm business, weather statistics and predictions, and leisure lifestyles—with the largest circulation of any single farm publication in Canada.

Show Guides

Western Producer Publications is recognized as the definitive agriculture trade show publisher and publishes official show guides for:

- Canadian Western Agribition, the largest livestock show in Canada;
- Western Canada Farm Progress Show, one of the largest dry land farming exhibitions in North America; and the
- Western Canadian Crop Production Show, a major markets and technical conference.

The year 2003 was especially propitious for The Western Producer. *The newspaper celebrated its 80th year of publishing with special features throughout the year and a 160-page issue on August 28 that explored the history of agricultural change over the past eight decades.*

However, the year also brought the biggest and potentially most damaging news event in the agricultural industry—the discovery of a case of BSE, also known as mad cow disease, on an Alberta farm.

The newspaper provided extensive coverage of the issue and its aftermath, which continues into 2004. Western Producer *journalists wrote and published more than 250 BSE-related stories in 2003, organized a forum on the topic through the website and established the newspaper's place as a definitive news source on BSE. This position was further solidified when other Canadian media used* Western Producer *journalists as experts in their own local and national radio and television reports about BSE.*

Extensive Coverage

Farmers rely on *The Western Producer* to provide information integral to their farm business. In meeting those expectations, the newspaper continued its role in reporting national and provincial agricultural policy. It provided extensive coverage of Canada's new national policy, the agricultural policy framework, which is likely to shape agriculture for the next five years. International trade and its effect on Canadian farmers received considerable ink.

The Western Producer is unique among agricultural newspapers in its ability to follow and cover international trade issues by virtue of its staff expertise and resources developed over many years of reporting.

Essential Content

The newspaper also continued its role of providing practical, hands-on information to producers through its coverage of agricultural commodity markets and production information designed to help farmers cope with various weather, crop and livestock situations. Its livestock section expanded to provide more information on cattle, hogs, sheep and horses. Its farm living section provided leisure reading and information on farm and rural lifestyles. The paper's well-known editorial and open forum pages published a variety of opinions, including more than 400 letters to the editor.

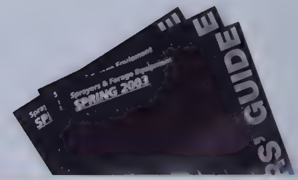
High-End Producers

Practical, technical farming information targeted primarily at high-end producers was provided through the Farming section, an eight-page section that appeared in *The Western Producer* 10 times in 2003.

The newspaper also published 12 special reports in 2003; two-page in-depth reports on agricultural topics ranging from taxes on farmland to livestock rendering.


THE Western Producer
Cattle lobby likes outlook
profits go under microscope

Western Producer Publications



Custom Publishing &Supplements

WPP serves as a custom publisher for a number of industry suppliers. In 2003 it published the Bourgault mass distribution tabloid, *AgWorld Magazine* and *FarmWorld Magazine*. AgWorld and FarmWorld are major regional equipment dealerships and Bourgault is a manufacturer of shortline equipment. WPP also produces regular supplements and guides:

- Farm Computer Guide, called "Canada's most comprehensive directory of agriculture-related Web sites" by *Direct Marketing News*, the primary publication for Internet and web marketers. The glossy magazine reviews computer hardware, software and GIS, in addition to publishing the Ag Internet Directory.

Custom Publishing &Supplements

- *The Canola & Pulse Crops Producer*, a vehicle for advertisers, particularly in crop protection and specialized equipment, to reach producers active in growing canola, beans, peas and lentils.
- *The Western Producer Buyers Guide*, a glossy magazine with detailed specifications and technical charts of agricultural machinery, as well as reviews and comparative analysis of various equipment brands.

Custom Publishing &Supplements

- *The Saskatchewan Seed Guide*, published in partnership with the Saskatchewan Seed Growers Association, containing results of seed variety registrations, field trials and bio-technology research.
- *See Scenic Saskatchewan* published in cooperation with Saskatchewan Tourism Association regions, providing travel guides, destinations reviews and events schedules.

National Advertisers

Despite coming through what has been called the worst year for agriculture since the Great Depression, *The Western Producer's* strategy that tightly focuses the newspaper on commercial agriculture producers assures national advertisers they are not wasting impressions on large numbers of non-targeted customers and that the key customers they target are in fact reading *The Western Producer.*

Advertising Consistency

The success of this strategy is reflected in advertising sales results. In a year filled with unprecedented change, the division was able to generate advertising sales on par with levels achieved in 2002.

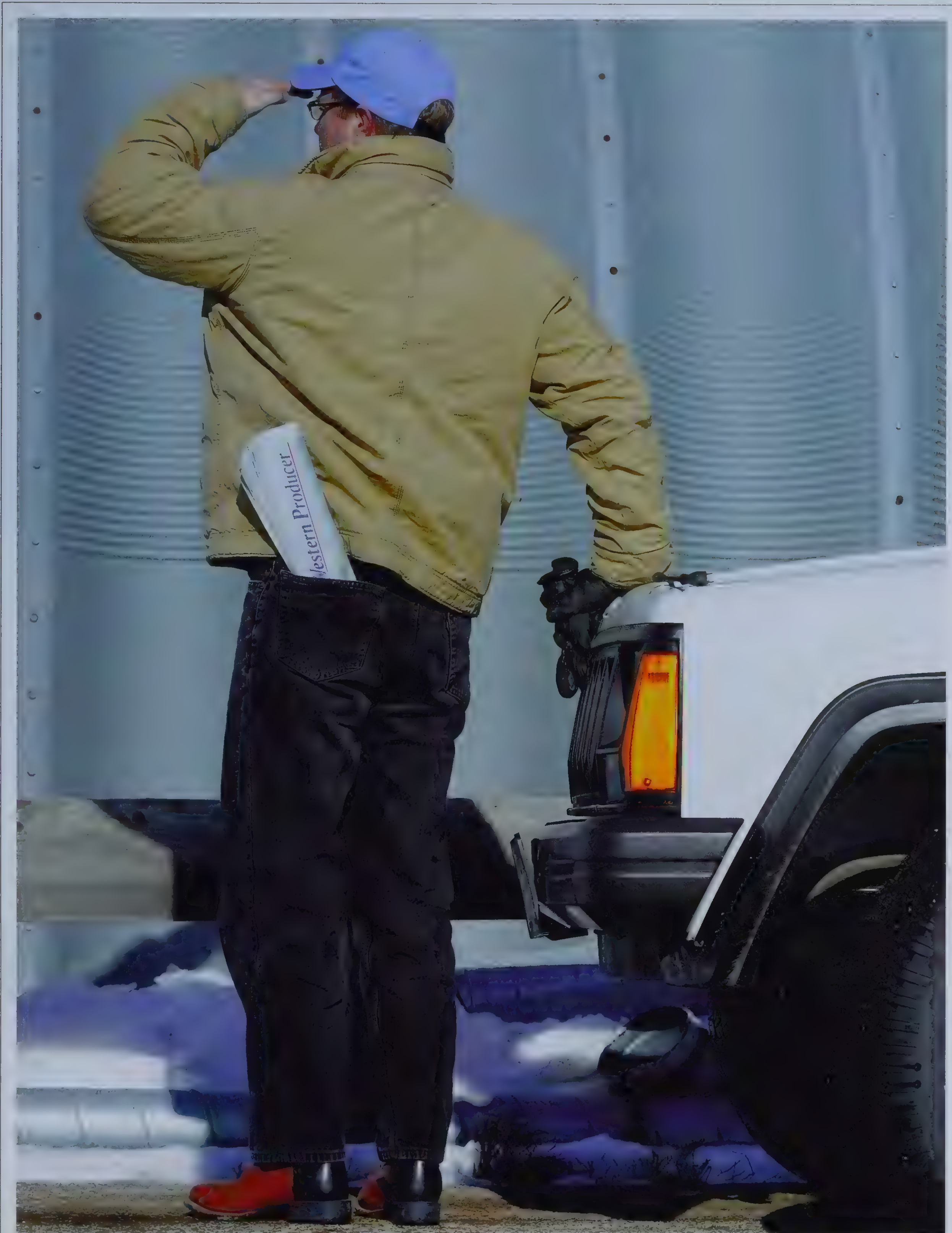
Online Synergies

Western Producer Online, *www.producer.com*, is a premier agriculture site on the Internet with over four million "hits" per month, and hundreds of thousands of distinct visits. Providing a mix of news, technical, product and markets information with the full classified ad section reproduced from *The Western Producer* newspaper, Western Producer Online provides a platform for growth both directly through revenue gains and indirectly through its marketing assets. In 2003 it was decided to transform *www.producer.com* from a solely free service to one that requires payment for full access.

16 News and Photography Awards

Western Producer editorial staff members belong to various professional organizations related to journalism and agriculture, including the North American Agricultural Journalists, the American Agricultural Editors Association and the Canadian Farm Writers Federation. Each of these groups organizes annual writing and photography competitions to view and measure the quality of agricultural journalism.

In 2003, eight different *Western Producer* staff members won 16 writing and photography awards. Among them was the prestigious Photographer of the Year award from the AAEA, as well as awards for news feature writing, columns, editorials and website design. In the past five years, *Western Producer* journalists have won 70 awards from professional organizations.


Producer

Farm Business Communications

Core Business

Farm Business Communications publishes 12 brand name periodicals in newspaper and magazine formats specially designed to deliver essential information to Canadian farmers and cattle producers within specific niches defined by region, crop and industry need.

Essential Content

FBC publications provide specifically targeted content on regional issues, crop and livestock production, genetics and research, government policies, practical 'how to' guides, pest control, farm machinery sales and farm classifieds, and agriculture marketing opportunities—essential information Canadian farmers depend upon to reduce business costs and improve profits.

Publications

Through magazines and newspapers, FBC publications provide essential 'must-have' information for specific agricultural niche markets:

- *Country Guide (Ontario)* for corn, soybean and livestock sectors—on seed, crop protection, harvesting and marketing.
- *Country Guide (West)* for cereal, canola, pulse crop and livestock industries. The Guides serve two geographically distinct cropping regimes; both provide specific information on pesticides, machinery, markets and government policies and 'must have' editorial content on business and technology for today's business minded farmer.

Farm Business Communications responded vigorously to three critical events that re-shaped Canada's farm industry in 2003. These events demonstrated the value of timely and essential information that farmers in Canada depend upon and predictably will continue to be significant issues in 2004 and the years beyond.

- *Bovine Spongiform Encephalopathy (BSE) or mad cow disease profoundly affected the livestock industry in Canada;*
- *Crop harvests in western Canada increased by 52%; and*
- *The federal government introduced the Canadian Agriculture Income Stabilization (CAIS) program, which provides livestock and crop producers income protection.*

12 Niche Publications

FBC provides essential information to livestock and cropping businesses in Canada with 12 separately branded publications, including magazines and tabloids published weekly, monthly, annually and periodically. These publications are directed specifically at different niche markets within the agriculture industry.

These content-specific publications focus on specific crops, livestock, regions, pest controls, machinery and farm sales, government policies, research, and product markets—supplying practical solutions, scientific advances, farmer-to-farmer 'how-to' guides, and industry news that cattle and crop producers must have.

BSE Impact

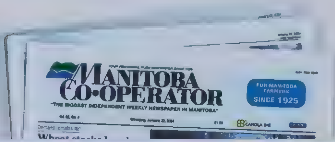
BSE continues to disrupt the livestock industry in Canada, and FBC continues to take a significant role in helping cattle producers adjust to its impact. In difficult times, the authority of a trustworthy source of information is even more greatly valued.

In 2003, working with cattle producers, stakeholders in the agriculture industry and government agencies, FBC's publications provided critical information and responsible journalism, helping cattle producers reassess management practices and systems to address the real and perceived concerns about BSE.

The publications also became an authoritative source of information for producers about government programs designed to improve cash flow for various sectors of the livestock industry.


Country Guide
Pencil rebates into your crop protection budget

Farm Business Communications



Publications

- *Canadian Cattlemen*, a national magazine, with regular and special issues, for cattle producers—on policies, genetics, production and marketing opportunities.
- *Manitoba Co-operator*, a weekly regional tabloid, for Manitoba farmers—on local, provincial, national and international farm policies, marketing, production, and a strong classified section.
- *Manitoba Co-operator Seed Guide*, an annual magazine, which connects farmers to information sources on crops in Manitoba.

Publications

- *Grainews*, a newspaper 'for farmers by farmers' providing practical and first-hand 'how-to' information—on repairs, crops, livestock, investments and home and family life.
- *Canola Guide* for canola producers—on improving yields and selling within the top third of the market.
- *Wheat, Oats & Barley* for western Canadian mainline cereal producers—on the latest research, production and marketing of cereal crops.

Publications

- *Alberta Express* was relaunched for Alberta farmers—focused on Alberta agricultural issues.
- *Soybean Guide* for farmers in Ontario—on the latest production techniques and marketing strategies for soybeans.
- *Disease, Weeds and Insects* for Canadian farmers—on control of the three multi-million dollar pests.
- *Big Dealer*, a monthly retail farm tabloid (11 issues annually)—the print companion of the Big Dealer on FBC's website, www.agcanada.com, where dealers and farm buyers interact in the buy-and-sell of farm machinery.

Crop Impact

Since 1999, crops in western Canada have been impaired by drought and low market prices. However, 2003 saw a turnaround. Farmers in western Canada harvested crops of 45.2 million tonnes compared to 29.7 million tonnes the year earlier.

In Ontario, yields for corn and soybeans remained flat, about 5.6 million tonnes of corn; 1.7 million tonnes of soybeans.

The 52% crop increase in the west will help offset lower prices for cattle, and more importantly will encourage farmers to incorporate adequate levels of production inputs for crops in 2004, which would provide a positive turn-of-events for FBC advertisers engaged in the crop production and protection businesses.

CAIS Impact

The CAIS program is the first of its kind in Canada. Not previously in the history of Canadian agriculture could livestock producers rely on income protection. Crop producers will also have an additional revenue source through CAIS to help manage, plan and stabilize farming operations.

As a program designed to stabilize cash flow throughout the agriculture industry, CAIS will help keep seed, pesticide, machinery, fertilizer and lending sectors financially viable. These sectors are important advertisers in FBC publications.

Continued Strong Revenues

FBC publications have a combined circulation of over 260,000, including paid subscriptions and controlled distribution. Gross advertising and subscription revenues continued to be strong—testimony to the value of essential information even in times of difficulty, considering that both western Canadian crop and cattle industries faced significant crisis in 2003.

Publication	
Soybean Guide	23,982
Wheat, Oats & Barley	35,700
Disease, Weeds & Insects	25,600
Alberta Crops & Beef	23,621
Manitoba Co-operator	12,000
Canola Guide	25,000
Country Guide	44,000
Canadian Cattlemen	25,000
Grainews	48,000
Total Circulation	**262,903**


Grainews

Certain statements in this report may constitute forward-looking statements. Such forward-looking statements involve risks, uncertainties and other factors which may cause results, performance or achievements of Glacier Ventures International Corp. ("Glacier" or the "Company") to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

The following discussion and analysis should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended December 31, 2003. These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Earnings before interest, taxes, depreciation and amortization, ("EBITDA"), cash flow from operations (before changes in non-cash operating accounts) and cash flow from operations (before changes in non-cash operating accounts) per share are not recognized measures of financial performance under Canadian GAAP. Management utilizes these statistics as a measure of profitability in making strategic decisions. In addition, the Company and its lenders and investors use EBITDA to measure performance against the Company's various leverage covenants. Investors are cautioned, however, that EBITDA should not be construed as an alternative to net income determined in accordance with GAAP as an indicator of the Company's performance. The Company's method of calculating these statistics may differ from other companies and, accordingly, they may not be comparable to measures used by other companies.

Overview of Business

Glacier Ventures International Corp. is an information communications company focused on expanding across North America through the provision of essential information and related services through print, electronic and online media.

Glacier is currently pursuing this strategy through two core business segments: 1) the business and professional market in which Specialty Technical Publishers competes and 2) the newspaper and trade publication market in which Western Producer Publications, Farm Business Communications and Boundary Publishers Group compete.

Through Specialty Technical Publishers, Glacier publishes comprehensive technical manuals that provide businesses with necessary legal, audit and compliance information about environmental law, occupational health & safety, transportation, training, and business law. The Company's business law manuals cover directors' & officers' liability, accounting, computer and Internet law. The manuals are sold in both print and electronic format. Specialty Technical Publishers is pursuing a growth strategy based on a) acquiring and launching new products in diversified industry and regulatory & compliance segments, b) leveraging content across various platforms including manuals, newsletters and electronic formats, and c) diversification of sales and marketing channels such as telemarketing and direct mail.

Through Western Producer Publications and Farm Business Communications, Glacier is the largest provider of agricultural information in Canada. Western Producer Publications publishes *The Western Producer*, Canada's largest weekly agricultural newspaper with a paid circulation of nearly 75,000 across western Canada, and several related supplements including buyer's guides, seed guides, computer guides and agricultural show guides as well as publications that cater to the tourism industry. Farm Business Communications publishes a number of targeted farm business magazines, periodicals and regional newspapers, including *Grainews, Country Guide, Country Guide Ontario, Canola Guide, Canadian Cattlemen, The Manitoba Co-operator, Wheat Oats & Barley, Alberta Express, Big Dealer, Disease Weeds & Insects, Soybean Guide* and other specialty publications.

Through our diversified and complementary group of agricultural publications, Glacier is now able to offer a wider range of both specialized and comprehensive news and information to western Canadian farmers and ranchers and deliver both targeted and mass penetration of the agricultural marketplace as well as a powerful and comprehensive database of farmers and ranchers to better enable advertisers to reach their desired audiences.

The Boundary Publishers Group publishes community newspapers in Saskatchewan which are the primary source of information for the communities they serve. The publications were acquired subsequent to year-end and include *The Assiniboia Times, The Carlyle Observer, The Estevan Mercury, The Southeast Trader Express, Yorkton This Week* and *Yorkton This Week Marketplace.*

These community newspapers extend Glacier's reach into the local and regional diversified advertising and reader market of Saskatchewan where our farm publications have a strong presence. While some Saskatchewan communities have suffered declining population, Glacier believes that a number of communities in the province are stable and have solid long-term economic prospects. According to many economic forecasts, the Province of Saskatchewan has a strong economic outlook, with one of the highest real GDP growth expectations for 2003 and 2004 in Canada. Glacier's strategy is to acquire newspapers in these attractive communities and generate business synergies through printing, publishing, group advertising, cross promotion and other activities.

Results of Operations

Glacier's operating results primarily reflect those of our operating businesses, Specialty Technical Publishers, Farm Business Communications, and Western Producer Publications. Hawker Siddeley Canada Inc., which was acquired in September 2001, has no operating business, although there are ongoing costs and the potential realization of assets associated with it. Farm Business Communications was acquired effective October 1, 2003 and as such its operating results for the fourth quarter of 2003 are reflected in the consolidated financial results. The Boundary Publishers Group was acquired subsequent to year end and as such its operating results are not reflected in the consolidated financial results.

The following outlines the significant financial performance measures for Glacier for the twelve months ending December 31, 2003, 2002 and 2001:

	Year Ending Dec. 31, 2003	Year Ending Dec. 31, 2002	Year Ending Dec. 31, 2001
Revenue	$28,892,931	$27,388,659	$13,021,407
EBITDA (1)	6,111,399	5,030,849	1,601,200
EBITDA margin	21.2%	18.4%	12.3%
EBITDA per share	$0.263	$0.234	$0.101
Net income/(loss)	2,500,434	225,900	(256,076)
Net income/(loss) per share	$0.108	$0.010	($0.016)
Cash flow from operations (2)	5,860,143	4,503,808	1,157,039
Cash flow from operations per share (2)	$0.252	$0.209	$0.073
Capital expenditures	201,388	8,154	11,006
Shareholders' equity	34,908,819	28,125,614	23,248,948
Weighted average shares outstanding, net	23,256,798	21,535,274	15,924,271

Notes:
(1) Earnings before interest, taxes, depreciation and amortization.
(2) Cash flow from operations before changes in non-cash operating accounts.

Operating Revenue

Glacier generated consolidated revenues of $28.9 million for the twelve months ending December 31, 2003, as compared to $27.4 million for the twelve months ending December 31, 2002. The growth in revenue was due to the acquisition of Farm Business Communications effective October 1, 2003.

On a divisional basis, Specialty Technical Publishers generated revenues of $11.9 million for the twelve months ending December 31, 2003 as compared to $12.5 million for the twelve months ending December 31, 2002. The decline in revenues was primarily the result of the continued weakness of the U.S. economy particularly with respect to corporate budgets and spending. New subscription sales were down 5.2% from last year and renewal sales decreased 4.4% over the same period. The reduction in orders lost after the events of September 11, 2001 resulted in lower new sales in 2002 and consequently lower renewals in 2003. It is significant to note that subsequent to year end, Specialty Technical Publishers' trial orders have increased significantly, which bodes well for a recovery in revenues. A number of economic indicators are now suggesting that the U.S economy and corporate earnings may be recovering. This should improve Specialty Technical Publishers' sales prospects once the economic recovery translates into increased client budgets and spending. Specialty Technical Publishers' geographic revenue mix shifted through a concerted effort to increase sales in non-U.S. markets. As a result of these efforts, revenues generated in Canada increased to $3.7 million for the twelve months ending December 31, 2003 from $2.4 million the year prior. U.S. generated revenues declined year over year in part due to the conscious effort to shift sales efforts, as well as the continued weakness in the U.S. economy.

Western Producer Publications generated revenues of $14.9 million for the twelve months ending December 31, 2003 as compared to $14.9 million for the twelve months ending December 31, 2002. Display advertising was down $0.2 million year over year, classified advertising was essentially unchanged and supplement advertising was up $0.2 million. Subscription revenue and other revenues were unchanged year over year.

Farm Business Communications generated revenues of $2.1 million for the three months ending December 31, 2003 (the division was acquired effective October 1, 2003).

Gross Profit

Glacier's consolidated gross profit for the twelve months ending December 31, 2003 was $10.0 million, representing a gross margin of 34.6%. Glacier's consolidated gross profit for the twelve months ending December 31, 2002 was $9.4 million, representing a 34.3% margin. The increase in gross profit was due to the improvement in both Specialty Technical Publishers' and Western Producer Publications' operating efficiencies, and the acquisition of Farm Business Communications.

Specialty Technical Publishers' gross profit was unchanged at $4.0 million. Western Producer Publications generated a gross profit of $5.6 million for the twelve months ending December 31, 2003 as compared to $5.2 million for the twelve months ending December 31, 2002. Cost reductions were achieved in a number of areas resulting in the margin improvement.

Farm Business Communications generated gross profit of $0.4 million for the three months ending December 31, 2003 (the division was acquired effective October 1, 2003).

General & Administrative Expenses

Glacier's consolidated general and administrative expenses were $3.9 million for the twelve months ending December 31, 2003, as compared to $4.4 million for the twelve months ending December 31, 2002.

Specialty Technical Publishers and Western Producer Publications reduced their general and administrative expenses by $0.3 million on a year over year basis. Farm Business Communications incurred $0.1 million of general and administrative expenses from the effective date of acquisition of October 1, 2003 until year-end.

Corporate expenses were reduced by $0.3 million on a year over year basis.

EBITDA

Glacier earned $6.1 million of consolidated earnings before interest, depreciation, amortization and taxes (EBITDA) for the twelve months ending December 31, 2003 as compared to $5.0 million for the twelve months ending December 31, 2002. The increase was primarily due to both improved profitability from Specialty Technical Publishers and Western Producer Publications, and the acquisition of Farm Business Communications effective October 1, 2003. Of the $1.1 million year over year increase in EBITDA, $0.8 million was the result of improvement in the profitability of the existing operations, representing a 15.9% increase over the prior year. The remaining $0.3 million of the increase was the result of the Farm Business Communications' EBITDA for the three months ending December 31, 2003.

On a divisional basis, Specialty Technical Publishers earned $2.4 million of EBITDA for the twelve months ending December 31, 2003, representing an EBITDA margin of 20.5%, as compared to $2.3 million of EBITDA for the twelve months ending December 31, 2002, which represented an EBITDA margin of 18.6%.

Western Producer Publications earned $4.9 million of EBITDA for the twelve months ending December 31, 2003, representing an EBITDA margin of 32.7%, as compared to $4.5 million of EBITDA for the twelve months ending December 31, 2002, which represented an EBITDA margin of 30.5%.

Cash Flow from Operations and Return on Equity

Consolidated net interest expense was $0.2 million for the twelve months ending December 31, 2003 as compared to $0.6 million for the twelve months ending December 31, 2002. The interest expense relates to the borrowings incurred for the acquisitions of Specialty Technical Publishers, Western Producer Publications and Farm Business Communications. Interest expense decreased as a result of the reduction in principal outstanding during the first nine months of the year resulting from voluntary principal repayments (Glacier has repaid its term loan facilities in excess of the required principal payments). Interest expense was also offset in 2003 by an interest refund of $0.2 million resulting from reassessments of income taxes relating to Hawker Siddeley Canada in the years 1990 and 1992. Glacier increased its borrowings to acquire Farm Business Communications on October 1, 2003 (see following).

Glacier's consolidated cash flow from operations (before changes in non-cash operating accounts) was $5.9 million for the twelve months ending December 31, 2003, as compared to $4.5 million for the twelve months ending December 31, 2002.

Management believes that cash flow from operations is the most appropriate measure to determine Glacier's profitability and return on equity, as the Company has low ongoing capital expenditures and minimal cash taxes and amortization largely relates

to intangible assets and does not represent a corresponding ongoing sustaining capital expense. Management also monitors free cash flow (being operating cash flow net of capital expenditures, debt service and investment in working capital) closely to measure ongoing overall cash flow strength.

For the twelve months ending December 31, 2003, Glacier generated an 18.6% return on average consolidated shareholders' equity, based on consolidated cash flow from operations (before changes in non-cash operating accounts) divided by average consolidated shareholders' equity. This compared to a 17.5% return on average consolidated shareholders' equity for the prior year.

Taxes, Depreciation and Amortization

Glacier's provision for non-cash taxes of $1.8 million for the twelve months ending December 31, 2003 increased $0.2 million compared to the prior year as a result of increased income before taxes. Depreciation of $0.6 million and amortization of $0.8 million for the year ending December 31, 2003 increased over the prior year by $0.3 million primarily as the result of the acquisition of Farm Business Communications.

Net Income

Glacier's consolidated net income was $2.5 million for the twelve months ending December 31, 2003, as compared to $0.2 million for the twelve months ending December 31, 2002. Net income for the 2003 period included a $1.7 million non-cash tax provision and a $0.1 million provision for non-controlling interest relating to the minority interest shares of GVIC Communications (which owns Western Producer Publications) not held by Glacier. Net income for the 2002 period included i) a $0.7 million write-down of portfolio investment, ii) a $1.6 million non-cash tax provision and iii) a $0.8 million provision for non-controlling interest relating to the shares of GVIC Communications not held by Glacier. Non-controlling interest reduced in 2003 because Glacier increased its interest effective July 22, 2002 to 94% of GVIC's equity from 50%. The write-down of portfolio investment relates to an investment that was made in a public company for structural purposes. An unfavourable merger occurred with a third party that reduced the trading value of the shares as at December 31, 2002, which reduction in value was reflected by the write-down. The trading value of the shares has since increased, although this increase has not been reflected in these consolidated financial statements.

Summary of Quarterly Results

The following summarizes Glacier's quarterly revenue, net income and earnings/(loss) per share for the last two years.

Quarterly Information
($000, except per share amounts)

	($) 2003 31-Dec	($) 2003 30-Sep	($) 2003 30-Jun	($) 2003 31-Mar
Total revenues	8,455	5,898	6,792	7,748
Net income	248	390	863	999
Earnings per share				
– Basic and Diluted	0.01	0.016	0.039	0.046

	($) 2002 31-Dec	($) 2002 30-Sep	($) 2002 30-Jun	($) 2002 31-Mar
Total revenues	6,200	6,119	7,096	7,974
Net income (loss)	(1,007)(1)	273	440	520
Earnings/(loss) per share				
– Basic and Diluted	(0.05)	0.01	0.02	0.025

Note:
(1) Net income (loss) includes a $692,938 write-down of portfolio investment taken in the fourth quarter of 2002.

Shareholders should note that the first and second quarters are typically the strongest for our agricultural publications, as revenue is generated seasonally in line with agricultural cycles. Advertising revenues are typically higher in February, March and April, which is the pre-seeding period during which advertisers most actively seek to raise customer awareness for products and services.

Fourth Quarter 2003

For the three months ending December 31, 2003, Glacier earned $0.3 million of net income on revenue of $8.5 million, as compared to a loss of $1.0 million on revenue of $6.2 million for the same period last year. The majority of the loss in the fourth quarter of 2002 was the result of a $0.7 million write-down of portfolio investment. Although the third and fourth quarters are typically weaker for the farm publications, Western Producer Publications profitability increased in the fourth quarter of 2003 compared to the same period in 2002. Farm Business Communications' divisional EBITDA for the three months ending December 31, 2003 also contributed to the increase in revenue and net income.

Changes in Accounting Policies

The Company's significant accounting policies are listed in Note 2 in the Consolidated Financial Statements. For the year ended December 31, 2003, there were no significant accounting policy changes.

Share based compensation – As of January 1, 2004, the Company has adopted the new recommendations of the CICA Handbook "Stock-based Compensation and Other Stock-based Payments", which requires the Company to expense all stock options granted to employees and directors, on or after January 1, 2002, using the fair value based method. Previously, the Company used the disclosure only basis to account for stock options granted to employees and directors.

Key Accounting Estimates

In preparing the Company's financial statements, management must routinely make estimates in order to determine certain amounts. These estimates for items such as the allowance for doubtful accounts, recoverability of long-lived and intangible assets, depreciation and amortization rates, recoverability of deferred costs, accrued liabilities and future income tax are based on management's knowledge and expertise of the business environment it operates in. The method used in making these routine estimates is consistent from period to period. More significant estimates used in the preparation of the December 31, 2003 and 2002 consolidated financial statements are as follows:

- Fair Value of Net Assets Acquired in Business Acquisitions – The Company completed a business acquisition during the year ended December 31, 2003. Management has completed its assessment of the fair values of assets and liabilities acquired and determined that the allocations used in the preparation of the consolidated financial statements were appropriate. Goodwill in the amount of $8,940,410 relates to the acquisition of Farm Business Communications, which represents the difference between the purchase price and the fair value of net assets acquired.
- Goodwill Impairment Test – Goodwill is tested for impairment at least on an annual basis or when other conditions exist that may indicate that an impairment exists in the carrying value of goodwill. To identify whether a goodwill impairment loss exists, the Company compares the fair value of the reporting unit to which the goodwill relates to the carrying amount. When the carrying amount of the reporting unit exceeds its fair value, the fair value of the reporting unit's goodwill is compared to its carrying value. Any excess of the carrying value of the goodwill over its fair value is charged to operations in the period the impairment occurred. The Company has determined that the fair values in reference to estimated future earnings and cash flows, exceed their carrying values and as such no impairment loss on goodwill has been recognized as at December 31, 2003.

Related Party Transactions

Glacier and its subsidiaries paid administration, transaction and consulting fees in the amount of $471,357 (2002 - $466,478) to a related party in which certain directors hold an equity interest. These transactions were recorded at the exchange amount.

Contractual Agreements

Agricore United, the vendor in the Farm Business Communications transaction, has contracted with Glacier to purchase advertising consistent with historical levels, which, at a minimum, will be $1 million annually. This contractual obligation is in effect for a period of six years from the October 1, 2003 transaction date.

Glacier has agreements with a major Canadian bank, whereby the bank provides various term loan, revolving loan and line of credit facilities. Specifics of these agreements are outlined in Note 9 to the Consolidated Financial Statements.

The Company entered into a five-year foreign exchange swap contract to exchange U.S. dollars for Canadian dollars at a fixed rate of 1.4217 that expires January 31, 2005. The term of the hedge contract was set to match the term of the initial acquisition loan used to acquire Specialty Technical Publishers in order to mitigate the risk entailed in earning revenue in U.S. dollars while paying interest in Canadian dollars (the loan requires the Company to pay interest in Canadian dollars).

The Company has also entered into operating leases for premises and office equipment, which expire on various dates up to July 31, 2008.In summary, the Company's contracted obligations, excluding the U.S. dollar hedge contract, due over the next five years are as follows:

	($) 2004	($) 2005	($) 2006	($) 2007	($) 2008	($) Total
Long-term debt	2,008,593	792,368	708,593	—	—	3,509,554
Interim loan facility	9,900,000	—	—	—	—	9,900,000
Operating leases	643,319	217,104	141,166	143,434	68,254	1,213,277
Total	12,551,912	1,009,472	849,759	143,434	68,254	14,622,831

Stock Based Compensation

No stock based compensation awards were granted during the twelve months ending December 31, 2003.

398,277 options to purchase common shares were granted during the twelve months ending December 31, 2002. These options were granted to the President of Specialty Technical Publishers in accordance with his employment agreement entered into with the Company at the time of the acquisition of Specialty Technical Publishers. These were granted as an earn-out component of the acquisition. All options have now been granted that were provided for in relation to the acquisition.

Liquidity, Capital Resources and Financial Position

Although Glacier had a working capital deficiency as at December 31, 2003 as measured by current assets less current liabilities, Glacier generates sufficient cash flow from operations to meet anticipated ongoing working capital and capital expenditure needs.

As at December 31, 2003, Glacier had cash of $0.7 million, current and long-term debt of $13.2 million and a working capital deficit of $0.1 million excluding deferred revenue, interim loan facility borrowings and current portion of long-term debt that is planned for repayment but not required.

Glacier's actual cash working capital is stronger than reflected by the amounts indicated on the consolidated balance sheet, for several reasons:

- Deferred revenue relates to quarterly updates, renewals and newspaper subscriptions that have been paid for by subscribers but not yet delivered, and the costs associated with the fulfilment of this liability is less than the amount indicated in current liabilities;
- Glacier receives cash revenue on an ongoing basis that offsets the deferred revenue liability;
- As Speciality Technical Publishers sells on a trial basis, it does not record accounts receivable or revenue when orders are shipped, but nonetheless receives revenue from these orders on a regular basis based on the acceptance rate realized, which results in revenue regularly being received that is not reflected in current assets;
- Glacier has used a significant portion of its cash flow from operations to make additional principal repayments beyond what has been required. As such, Glacier has available borrowing capacity in its revolving term loan facilities and lines of credit to fund working capital and other needs. Glacier made $5.5 million of principal repayments in excess of those required for the year ending December 31, 2003. As a result of these excess payments, Glacier is not legally obligated to make any quarterly debt payments over the next twelve months on its revolving loan facility.

However, $1.4 million has been included in current portion of long-term debt as Glacier intends to continue to make regularly scheduled principal payments;

- Glacier partially financed the acquisition of Farm Business Communications with an interim six month interest only loan facility and is in the process of restructuring this facility into a larger longer-term acquisition loan facility to fund further acquisitions. The interim loan facility was used because it was less expensive than structuring a term-loan facility for the Farm Business Communications acquisition, then restructuring such facility shortly after into a larger acquisition loan facility.

The remainder of the Farm Business Communications acquisition cost was financed with $4.2 million of equity capital raised during the year through a private placement at $1.30 per Glacier common share.

In total, Glacier paid down $7.2 million of debt during the year ending December 31, 2003.

As at December 31, 2003, Glacier had $12.6 million of debt net of cash on hand outstanding.

Business Environment and Risks

A significant portion of Specialty Technical Publishers' revenues are generated in U.S. dollars and as such are subject to exchange rate fluctuations. In order to hedge this risk, the Company entered into a five-year foreign exchange swap contract to exchange U.S. dollars for Canadian dollars at a fixed rate of 1.4217 that expires January 31, 2005.

While the regulatory, compliance and essential nature of most of Specialty Technical Publishers' publications make it more resistant to economic downturns than many other industries, the weaker U.S. economy has and may continue to impact revenue and profitability. As stated earlier, it is significant to note that subsequent to year end, Specialty Technical Publishers' trial orders have increased significantly, which bodes well for a recovery in revenues. A number of economic indicators are now suggesting that the U.S economy and corporate earnings may be recovering.

Western Producer Publications' and Farm Business Communications' publications are targeted to western Canadian farmers and ranchers. Parts of western Canada have experienced severe drought conditions over the last several years. As well, the U.S border remains closed to some exports of Canadian beef as a result of the isolated cases of mad cow disease. These and other factors have adversely affected agricultural conditions. Despite these adverse conditions, Western Producer Publications and Farm Business Communications have generated steady revenues and strong cash flows, which is confirmation of the essential nature of their content.

The Department of Canadian Heritage provides postal subsidies to eligible Canadian publications, including Western Producer Publications, Farm Business Communications and the Boundary Publishers Group. While this program has been in place for a number of years, there is no guarantee that subsidies will continue to be offered.

The Boundary Publishers Group generates revenue through the sale of advertising and newspaper subscriptions. As such, it is reliant upon general economic conditions and the spending plans of advertisers. A significant downturn in the national or regional economies could adversely affect revenues, as could significant changes in advertisers' promotional strategies.

Glacier's publications are affected by changes in the prices of purchased supplies, including newsprint.

Competition is also a risk, although the Company is well diversified. Specialty Technical Publishers has approximately 110 publications and products and a customer base in the tens of thousands. Western Producer Publications has the largest market share of all of the agricultural publications. Glacier's other agricultural publications tend to focus on specific niches of the agricultural industry.

While risks and uncertainties exist, the large North American business and professional information, newspaper and trade publication markets and other information communications markets generally continue to offer many growth opportunities for the Company.

Outlook/Recent Developments

Glacier acquired the assets of Farm Business Communications from Agricore United on October 9, 2003 for $14.6 million and the assumption of approximately $1.6 million of net liabilities, being primarily prepaid subscription liabilities. Glacier paid $12.5 million in cash initially for the FBC assets including transaction costs and will pay a further $2.1 million in non-interest bearing equal installments over three years through vendor financing from Agricore United.

Subsequent to year-end, Glacier acquired 92.5% of the shares of a group of community newspapers and related printing operations in Saskatchewan (the Boundary Publishers Group) from a group of shareholders for $3.2 million plus the assumption of $1.2 million of net debt. The effective closing date of the transaction is March 22, 2004.

Glacier continues to pursue further acquisition opportunities of information communications businesses. Additional capital may be raised as required to fund such acquisitions.

We are currently reviewing a number of acquisition opportunities, with several being of particular interest.

Management's Statement on Financial Reporting

The management of Glacier Ventures International Corp. is responsible for the consolidated financial statements and other financial and statistical information in this Annual Report. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. All the financial and statistical information appearing in the report is consistent with the consolidated financial statements.

Management has established and maintains appropriate systems of internal control, policies and procedures which are designed to provide reasonable assurance that the Company's assets are safeguarded and that reliable financial records are maintained.

The Audit Committee, comprised of three members appointed from the Board of Directors, meets with management and the external auditors to review such matters as audit procedures, financial reporting and internal controls. The consolidated financial statements have been reviewed and approved by the Board on the recommendation of the Audit Committee.

The consolidated financial statements have been audited by the Company's external auditors, Deloitte & Touche LLP, and their opinion on these statements is included in this report.

Jonathon J.L. Kennedy,
President and Chief Executive Officer
April 16, 2004

Auditors' Report

To the Shareholders of Glacier Ventures International Corp.

We have audited the consolidated balance sheets of Glacier Ventures International Corp. as at December 31, 2003 and 2002 and the consolidated statements of operations and retained earnings (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2003 and 2002 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Vancouver, British Columbia
February 13, 2004

Consolidated Balance Sheets
December 31, 2003 and 2002

	2003	2002
ASSETS		
CURRENT		
Cash	**$ 647,849**	$ 1,104,473
Accounts receivable	**2,486,914**	1,218,580
Inventory	**313,871**	329,942
Prepaid expenses	**300,485**	142,793
	3,749,119	2,795,788
OTHER ASSETS (Note 4)	**2,524,677**	2,703,432
PROPERTY, PLANT AND EQUIPMENT (Note 5)	**5,714,717**	3,851,333
INTANGIBLE ASSETS (Note 6)	**19,756,981**	15,407,568
GOODWILL (Note 7)	**28,692,185**	19,751,775
FUTURE INCOME TAXES (Note 13)	**5,244,302**	7,154,302
	$ 65,681,981	$ 51,664,198
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 3,182,809**	$ 2,309,126
Deferred revenue	**5,437,740**	4,635,280
Interim loan facility (Note 9 (c))	**9,900,000**	—
Current portion of long-term debt (Note 9)	**2,008,593**	1,920,000
	20,529,142	8,864,406
NON-CURRENT PORTION OF DEFERRED REVENUE	**1,417,050**	660,090
NON-CURRENT PORTION OF LIABILITIES (Note 11 (b))	**1,743,532**	1,588,969
LONG-TERM DEBT (Note 9)	**1,295,102**	6,655,000
FUTURE INCOME TAXES (Note 13)	**5,297,710**	5,424,385
	30,282,536	23,192,850
NON-CONTROLLING INTEREST	**490,626**	345,734
COMMITMENTS (Note 11)		
CONTINGENCY (Note 16)		
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	**24,272,011**	19,989,240
Contributed surplus	**8,166,550**	8,166,550
Retained earnings (deficit)	**2,470,258**	(30,176)
	34,908,819	28,125,614
	$ 65,681,981	$ 51,664,198

Approved by the Directors:

Director

Director

Consolidated Statements of Operations and Retained Earnings

Years ended December 31, 2003 and 2002

	2003	2002
REVENUE	$ 28,892,931	$ 27,388,659
DIRECT EXPENSES	18,882,486	17,990,851
GROSS PROFIT	10,010,445	9,397,808
EXPENSES		
General and administrative (Note 14)	3,899,046	4,366,959
INCOME BEFORE INTEREST EXPENSE	6,111,399	5,030,849
INTEREST EXPENSE, net (Note 12)	246,909	611,641
INCOME BEFORE DEPRECIATION AND AMORTIZATION	5,864,490	4,419,208
DEPRECIATION	627,050	452,939
AMORTIZATION OF INTANGIBLE AND OTHER ASSETS	812,340	664,645
INCOME FROM OPERATIONS	4,425,100	3,301,624
WRITE-DOWN OF PORTFOLIO INVESTMENT (Note 4 (b))	—	692,938
INCOME BEFORE INCOME TAXES	4,425,100	2,608,686
PROVISION FOR (RECOVERY OF) INCOME TAXES (Note 13)		
Current	57,274	(84,600)
Future	1,722,500	1,626,745
	1,779,774	1,542,145
INCOME BEFORE NON-CONTROLLING INTEREST	2,645,326	1,066,541
NON-CONTROLLING INTEREST	(144,892)	(840,641)
NET INCOME	2,500,434	225,900
DEFICIT, BEGINNING OF YEAR	(30,176)	(256,076)
RETAINED EARNINGS (DEFICIT), END OF YEAR	$ 2,470,258	$ (30,176)
EARNINGS PER SHARE (Note 10)		
Basic	$ 0.11	$ 0.01
Diluted	0.11	0.01
WEIGHTED-AVERAGE NUMBER OF SHARES	23,256,798	21,535,274

Consolidated Statements of Cash Flows
Years ended December 31, 2003 and 2002

	2003	2002
OPERATING ACTIVITIES		
Net income	$ **2,500,434**	$ 225,900
Items not affecting cash:		
Depreciation	**627,050**	452,939
Amortization of intangible and other assets	**812,340**	664,645
Future income taxes	**1,722,500**	1,626,745
Non-controlling interest	**144,892**	840,641
Loss on disposal of property, plant and equipment	**27,084**	—
Non-cash interest expense (Note 9 (b))	**25,843**	—
Write-down of portfolio investment	**—**	692,938
	5,860,143	4,503,808
Changes in non-cash operating accounts		
Accounts receivable	**(641,545)**	143,744
Inventory	**16,071**	(185,671)
Prepaid expenses	**(64,829)**	151,962
Accounts payable and accrued liabilities	**265,638**	(23,335)
Deferred revenue	**(15,011)**	(207,889)
	5,420,467	4,382,619
INVESTING ACTIVITIES		
Acquisitions (Note 3)	**(14,639,152)**	(12,700,217)
Purchase of property, plant and equipment	**(201,388)**	(8,154)
Other assets	**17,000**	(165,127)
	(14,823,540)	(12,873,498)
FINANCING ACTIVITIES		
Proceeds from debt issuances	**11,867,404**	8,500,000
Repayment of long-term debt	**(7,191,226)**	(8,475,000)
Issuance of common shares	**4,270,271**	4,650,766
	8,946,449	4,675,766
NET CASH OUTFLOW	**(456,624)**	(3,815,113)
CASH, BEGINNING OF YEAR	**1,104,473**	4,919,586
CASH, END OF YEAR	$ **647,849**	$ 1,104,473

SUPPLEMENTAL CASH FLOW INFORMATION:

	2003	2002
Interest paid	$ **381,304**	$ 672,411
Income taxes paid (received)	$ **33,185**	$ (77,757)

1. NATURE OF OPERATIONS

Glacier Ventures International Corp.'s (the "Company" or "Glacier") operations consist of the publishing of comprehensive technical manuals in areas including environmental law, occupational health and safety, transportation, training and business law, and the publication of agricultural information through weekly newspapers and a variety of supplements, magazines, tabloids and inserts through its subsidiary, GVIC Communications Ltd. ("GVIC"), and its newly acquired division, Farm Business Communications ("FBC") (Note 3).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The consolidated financial statements include the accounts of the Company and its subsidiaries, 555378 BC Ltd. (100% owned), 3796299 Canada Inc. (100% owned) and Hawker Siddeley Canada Inc. ("Hawker") (100% owned). 555378 BC Ltd. holds 515,977 shares of the Company and is inactive. The Company and its subsidiary, 3796299 Canada Inc., which is inactive, hold a combined 94% equity interest in GVIC Communications Inc.. Intercompany transactions and balances have been eliminated upon consolidation.

(b) Inventory

Inventory, consisting mainly of publishing and stationery supplies, is recorded at the lower of cost and net realizable value.

(c) Portfolio investment

Investments in securities where the Company does not have significant influence are accounted for at cost. Where there is a decline in the value of the investment which is considered to be other than temporary, the investment is written down to recognize the loss.

(d) Property, plant and equipment

Property, plant and equipment are recorded at cost and depreciated over their estimated useful lives on a straight-line basis at the following annual rates:

Building	20 years
Office furniture	15 years
Publication software	5 years
Automobile	3 years
Computer hardware and office equipment	3 years

Leasehold improvements are amortized on a straight-line basis over the term of the lease. One-half of the depreciation is taken in the year of acquisition.

The Company reviews property, plant and equipment for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable from expected future cash flows. No impairment losses have been identified by the Company for the years ended December 31, 2003 or 2002.

(e) Deferred financing costs

Financing costs incurred to obtain long-term debt are deferred and amortized over the shorter of term of the related debt or the expected repayment period.

(f) Deferred contract costs

Costs related to securing authors' contracts are deferred and amortized over the term of the related author contract.

(g) Intangible assets

Intangible assets, which consist of subscription lists, copyrights and trademarks are recorded at cost. Subscription lists are being amortized as each subscription contract, which existed at the date of acquisition of FBC, expires; the majority of which will occur over two years from acquisition date. Copyrights which have a finite life are being amortized on a straight-line basis over 30 years. Trademarks which relate to individual magazine publications are viewed to have an indefinite useful life and, consequently, are not being amortized.

The Company reviews intangible assets for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable from expected future cash flows. No impairment losses have been identified by the Company for the years ended December 31, 2003 or 2002.

(h) Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net assets of acquired businesses. Goodwill is not amortized; rather, goodwill is written down if there has been a permanent impairment in the value of goodwill.

The Company has performed a test for impairment of goodwill at December 31, 2003 and 2002 and concluded that there was no impairment in either year as the fair value exceeded the carrying value. The Company tests for the impairment of goodwill on an annual basis.

(i) Future income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes receivable or payable for the current year. Future income tax assets and liabilities are recognized for differences between the tax and accounting bases of assets and liabilities and are calculated using tax rates anticipated to be in effect in the periods that the differences are expected to reverse. The effect of a change in income tax rates on future income tax assets and liabilities is recognized in income in the period the change becomes substantively enacted.

(j) Revenue recognition

Revenue from the sale of technical manuals and single copy newspapers is recognized when payment is received from customers.

Subscription revenue is recognized as each of the applicable updates are issued or newspapers published. Subscription and advertising revenue for which consideration has been received in advance and is attributable to future updates and issues is deferred until such updates or issues are published.

Advertising revenue is recognized upon issuance of the edition in which the advertisement appears.

(k) Foreign currency transactions

Trade transactions denominated in foreign currencies are recorded in Canadian dollars at the exchange rate prevailing at the time of the transaction. Hedged transactions are recorded at the forward exchange contract rate.

Monetary assets and liabilities denominated in foreign currencies are converted to Canadian dollars at the exchange rate prevailing at the balance sheet date. Exchange gains or losses are recorded in the statement of operations in the period incurred.

(l) Share-based compensation

All share-based awards to non-employees are recognized and measured using the fair value method at the date of grant. In respect of share options awarded to employees, the Company has adopted the disclosure only based method of accounting for share-based compensation awards granted to employees whereby pro forma net income and pro forma earnings per share are disclosed as if the fair value method of accounting had been used.

(m) Earnings per share

Earnings per share is calculated using the weighted-average number of shares outstanding during the year. Diluted earnings per share is presented using the treasury stock method and is calculated to reflect the dilutive effect of exercising outstanding warrants and stock options.

(n) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingencies at the date of the balance sheet. Actual results could differ from those estimates.

3. ACQUISITIONS

(a) Farm Business Communications Division

Effective October 1, 2003, the Company acquired certain assets and assumed certain liabilities comprising the Farm Business Communications Division ("FBC") from Agricore United.

The purchase price of $14,639,152, inclusive of acquisition costs, was satisfied with cash generated from a $4,177,502 private placement (Note 10), bank debt and vendor financing (Note 9). The acquisition has been accounted for by the purchase method and the results of operations have been consolidated with those of the Company from the date of acquisition.

The allocation of the purchase price to the fair value of the assets acquired and liabilities assumed is as follows:

Assets acquired	
Accounts receivable	$ 626,789
Prepaid expenses	92,863
Property, plant and equipment	2,316,130
Subscription lists	1,000,000
Trademarks	4,000,000
	8,035,782

Liabilities assumed	
Accounts payable and accrued liabilities	762,608
Deferred revenue	1,574,432
	2,337,040
Net assets	5,698,742
Goodwill	8,940,410
Consideration	$ 14,639,152

(b) GVIC Communications Inc.

During the first quarter of 2002, Glacier purchased a $4 million convertible debenture from GVIC Communications Inc. ("GVIC") which was convertible into Class B non-voting common shares of GVIC. The debenture was convertible at the option of Glacier into Class B non-voting shares at a conversion rate equal to one Class B non-voting share for each $0.011791 of indebtedness or redeemable at the option of GVIC into Class B non-voting shares at a conversion rate equal to one Class B non-voting share for each $0.0106012 of indebtedness.

Effective July 22, 2002, Glacier exercised its option to convert the debenture, receiving 339,241,794 Class B non-voting shares of GVIC in exchange. After conversion of the debenture, Glacier holds 45% of the Class A voting shares and 97% of the Class B non-voting shares of GVIC. This conversion has been accounted for using the step purchase method resulting in a reduction of goodwill and minority interest of $396,857.

(c) Western Producer Publications Division

On January 9, 2002, GVIC acquired certain assets and assumed certain liabilities comprising the Western Producer Publications Division ("WPP") from the Saskatchewan Wheat Pool. The purchase price was $13,044,027, inclusive of acquisition costs of $343,810 paid in fiscal 2002. The acquisition has been accounted for using the purchase method and the results of operations have been consolidated with those of the Company from the date of acquisition.

The purchase price was allocated to the fair value of the assets acquired and liabilities assumed as follows:

Assets acquired	
Accounts receivable	$ 1,203,334
Inventories	5,625
Prepaid expenses	138,205
Property and equipment	4,066,498
Future income taxes	4,797,000
	10,210,662
Liabilities assumed	
Accounts payable and accrued liabilities	520,010
Deferred revenue	2,739,724
	3,259,734
Net assets	6,950,928
Goodwill	6,093,099
Consideration	$ 13,044,027

The fair values assigned to the assets acquired and liabilities assumed are management's best estimate at the date of acquisition. The ultimate realization of the assets acquired and the discharge of the liabilities assumed is uncertain. To the extent the amounts differ, the differences will be reported through the statement of operations.

4. OTHER ASSETS

	2003	2002
Refundable liability insurance premiums (a)	**$ 1,440,000**	$ 1,440,000
Deferred pension asset (Note 15)	**692,000**	782,000
Portfolio investment (b)	**216,927**	216,927
Financing costs, net of accumulated amortization of $262,166 (2002 - $140,507)	**139,661**	188,320
Deferred contract costs	**36,089**	76,185
	$ 2,524,677	$ 2,703,432

(a)Refundable liability insurance premiums represent management's estimate of the funds on deposit in excess of the estimated cost to settle all remaining claims under the liability insurance policy. While management believes the amounts are collectable, the timing of these refunds is uncertain.

(b)As at December 31, 2003, the market value of the portfolio investment was $477,235 (2002 - $216,927) as compared to a carrying value of $216,927 (2002 - $909,865). As at December 31, 2002, the decline in value was determined to be other than temporary; accordingly, the Company recorded a write-down in fiscal 2002 of the portfolio investment to the December 31, 2002 quoted market value.

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	2003 Net Book Value	2002 Net Book Value
Land	**$ 1,000,000**	**$ —**	**$ 1,000,000**	$ 1,000,000
Building	**2,008,418**	**198,504**	**1,809,914**	1,910,265
Computer hardware and office equipment	**2,201,061**	**766,217**	**1,434,844**	524,748
Publication software	**1,306,178**	**261,385**	**1,044,793**	193,525
Office furniture	**604,033**	**255,114**	**348,919**	211,097
Automobile	**76,639**	**51,036**	**25,603**	4,172
Leasehold improvements	**161,250**	**110,606**	**50,644**	7,526
	$ 7,357,579	**$ 1,642,862**	**$ 5,714,717**	$ 3,851,333

6. INTANGIBLE ASSETS

	2003	2002
Subject to amortization		
Copyrights		
Cost	**$ 17,061,512**	$17,061,512
Less: Accumulated amortization	**(2,222,662)**	(1,653,944)
	14,838,850	15,407,568
Subscription lists		
Cost	**1,000,000**	—
Less: Accumulated amortization	**(81,869)**	—
	918,131	—
Not subject to amortization		
Trademarks	**4,000,000**	—
	$ 19,756,981	$15,407,568

7. GOODWILL

	2003	2002
Balance, beginning of year	**$ 19,751,775**	$14,104,762
Adjustments		
Farm Business Communications Division (Note 3 (a))	**8,940,410**	—
Western Producer Publications Division (Note 3 (c))	**—**	6,093,099
Reduction of minority interest on conversion of debenture (Note 3 (b))	**—**	(396,857)
GVIC Communications Inc.	**—**	(49,229)
Balance, end of year	**$ 28,692,185**	$ 19,751,775

8. BANK INDEBTEDNESS

The Company along with GVIC have available operating lines of credit totalling $2,250,000, which are repayable on demand and bear interest at the bank prime rate plus 0% to 1% depending on the respective company's debt to earnings ratio. The facilities are secured as described in Note 9.

9. LONG-TERM DEBT

	2003	2002
Bank debt		
GVIC Communications Inc. (a)	**$ 1,383,774**	$ 5,300,000
Glacier Ventures International Corp. (c)	**—**	3,275,000
	1,383,774	8,575,000
Due to Agricore United, face amount (b)	**2,125,780**	—
Less: Imputed interest	**(205,859)**	—
	1,919,921	—
	3,303,695	8,575,000
Less: Current portion	**(2,008,593)**	(1,920,000)
	$ 1,295,102	$ 6,655,000

Estimated and scheduled principal repayments excluding the annual sweep are as follows:

2004	$ 2,008,593
2005	792,368
2006	708,593
	3,509,554
Less: Imputed interest	(205,859)
	$ 3,303,695

Due to the cumulative excess payments described below, under terms of the revolving term loan facilities, the Company is permitted to reduce the above fiscal 2004 scheduled payments by $1,383,774.

9. LONG-TERM DEBT (continued)

(a) GVIC Communications Inc.

The revolving term loan is repayable in variable payments of $200,000 for the first, third and fourth quarters of each year and, commencing in fiscal 2002, $600,000 for the second quarter of each year, increasing by $100,000 annually. In addition, an annual payment is due April 30 equal to 50% of GVIC's excess cash flow (as defined in the loan agreement) to a maximum of $500,000. The debt bears interest at varying rates based on the prevailing bankers acceptance rate plus a variable bank stamping fee, which ranges from 2.25% to 3% depending on GVIC's debt to earnings ratio. The term loan matures December 31, 2006.

GVIC has made excess cumulative principal payments of $2,216,226 and, consequently, is not required to make quarterly debt payments over the next twelve months. The current portion of long-term debt is based on payments anticipated to be made over the next twelve months.

The GVIC revolving term loan facility and operating line of credit are secured by a general security agreement including a fixed and floating charge over all of GVIC's assets, a $2,500,000 first collateral mortgage on GVIC's land and building and an assignment of all risk insurance.

(b) Due to Agricore United

The amount due to Agricore United is non-interest bearing, unsecured and requires three equal annual principal payments of $708,593. The debt has been recorded at its present value of $1,919,921 using a 6% discount rate. The imputed interest has been recorded as a reduction of goodwill on acquisition of FBC, net of future income tax, and due to Agricore United and will be accreted to debt over its term as additional interest expense.

(c) Interim loan facility - Glacier Ventures International Corp.

In connection with the acquisition of FBC, Glacier refinanced its existing debt on a short-term basis whereby the previous term loan was repaid and the FBC acquisition was financed in part with a $10,500,000 interim loan facility due June 1, 2004. The interim loan facility bears interest at varying rates based on the prevailing bankers acceptance rate plus a variable bank stamping fee which ranges from 2.25% to 3% or the bank prime rate plus 0% to 0.75%, depending on Glacier's debt to earnings ratio.

The Glacier interim loan facility and operating line of credit are secured by a general security agreement including fixed and floating charges over all of Glacier's assets and an assignment of $2,000,000 keyman life insurance.

10. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value
Unlimited number of preferred shares

Issued and outstanding

	Number of Shares	Issued Number of Warrants	Amount
Common shares			
Balance, December 31, 2001	18,083,388	1,115,000	$ 15,743,389
Elimination of intercompany shareholdings held by wholly-owned subsidiary	(515,977)	—	(404,915)
Issued under private placement, net of issuance costs of $97,544	4,300,092	—	4,632,557
Issued in exchange for Hawker shares	581	—	709
Exercise of stock options	16,667	—	17,500
Balance, December 31, 2002	21,884,751	1,115,000	19,989,240
Issued under private placement, net of issuance costs of $22,498	3,230,770	—	4,177,502
Issued in exchange for Hawker shares	350	—	269
Exercise of stock options	100,000	—	105,000
Balance, December 31, 2003	25,215,871	1,115,000	$24,272,011

At the Company's Annual General Meeting of Shareholders on May 30, 2001, the shareholders approved the reduction of the stated share capital by $8,820,916, representing the deficit of the Company as at December 31, 2000. This reduction was recorded against the Company's deficit for the quarter ended June 30, 2001.

During 2002, the Company issued through a private placement 4,300,092 common shares at $1.10 per share for net proceeds of $4,632,557 after issuance costs.

On July 31, 2003, the Company issued through a private placement 3,230,770 common shares at $1.30 per share for net proceeds of $4,177,502 after issuance costs.

At December 31, 2003, 1,115,000 warrants were outstanding allowing the holders to purchase one common share per warrant at $4.48 per share. The warrants expire June 28, 2004.

The Company has a stock option plan for officers, directors and certain employees. The maximum number of options available for issuance is 1,545,629. Under the plan, certain options vest only if operating earning targets are met. The options have exercise prices ranging from $0.75 to $1.25 and expire in 2005. The following transactions occurred within the stock option plan:

	2003 Common Shares		**Weighted Average Exercise Price**	2002 Common Shares		Weighted Average Exercise Price
Options outstanding at beginning of year	**1,238,891**	**$**	**0.92**	1,550,000	$	0.95
Granted	**—**		**—**	398,277		1.25
Exercised	**(100,000)**		**1.05**	(16,667)		1.05
Cancelled	**—**		**—**	(692,719)		1.15
Outstanding at end of year	**1,138,891**	**$**	**0.90**	1,238,891	$	0.92
Exercisable at end of year	**1,138,891**	**$**	**0.90**	1,238,891	$	0.92

The following table sets forth the reconciliation of weighted-average share capital for the computation of basic and diluted earnings per share:

	2003	2002
Weighted-average number of common shares outstanding	**23,256,798**	21,535,274
Diluted adjustment for stock options	**410,884**	326,067
Diluted weighted-average number of shares	**23,667,682**	21,861,341

The Company has adopted the disclosure only method of accounting for share-based compensation awards granted to employees. Accordingly, no compensation cost is recorded in the accounts for its share option plans. For share options granted after January 1, 2002, disclosure of the impact on the December 31, 2003 and 2002 earnings and earnings per share as if the fair value based method of accounting for the share-based compensation would approximate the following pro forma amounts:

	2003	2002
Share-based compensation cost	$ **—**	$ 54,392
Net income		
As reported	**2,500,434**	225,900
Pro forma	**2,500,434**	171,508
Earnings per common share		
Basic		
As reported	**0.11**	0.01
Pro forma	**0.11**	0.01
Diluted		
As reported	**0.11**	0.01
Pro forma	**0.11**	0.01

The fair value of each option granted is estimated on the date of grant using the Black-Scholes model with weighted-average assumptions for grants as follows:

Risk free interest rate	4.25%
Expected lives (years)	3.5
Expected volatility	35.00%
Dividend rate	0.00%

11. COMMITMENTS

(a) Employee pension plan

In connection with the acquisition of WPP, the Company has established two defined contribution pension plans for all full-time and part-time employees who meet certain minimum working requirements. The plans require the Company to contribute between 4.57% and 6% of eligible employees' earnings depending on the plan. For the year ended December 31, 2003, the contribution pension expense related to these plans was $256,569 (2002 - $171,071).

(b) Other non-current liabilities

Certain full-time employees of WPP and FBC are eligible for a retiring allowance based on their years of employment. The carrying value of this retiring allowance, being $195,338 (2002 - $95,776), has been classified as a non-current liability.

Also included in non-current liabilities are certain accrued liabilities, which were assumed on the acquisition of Hawker. Management has estimated that these liabilities approximated their fair value at the date of acquisition. These accrued liabilities are not expected to be discharged in the near term.

(c) Operating leases

The Company and its subsidiaries have entered into operating leases for premises and office equipment which expire on various dates up to July 31, 2008.
The minimum annual lease payments required are as follows:

2004	$ 643,319
2005	217,104
2006	141,166
2007	143,434
2008	68,254
	$ 1,213,277

12. INTEREST

	2003	2002
Interest income	**$ 196,570**	$ 69,156
Interest expense	**(443,479)**	(680,797)
	$ (246,909)	$ (611,641)

Interest income in 2003 includes an interest refund of $176,248 resulting from reassessments of income taxes relating to Hawker Siddeley Canada in the years 1990 and 1992.

13. INCOME TAXES

The provision for income taxes varies from the amount that would be expected if computed by applying the Canadian federal and provincial statutory income tax rates to the Company's income before income taxes as shown in the following table:

	2003	2002
Income before income taxes	**$ 4,425,100**	$ 2,608,686
Effective statutory income tax rate	**37.6%**	39.6%
Expected provision for income taxes	**$ 1,663,838**	$ 1,033,034
Large corporation capital tax	**75,700**	59,375
Unrecognized tax benefit of subsidiary's losses	**39,236**	133,696
Unrecognized tax benefit of write-down of portfolio investment	**—**	274,403
Other	**19,426**	185,612
Previously unrecognized tax refund of subsidiary	**(18,426)**	(143,975)
	$ 1,779,774	$ 1,542,145

The Company has available non-capital losses of approximately $7,999,000 (2002 - $9,483,000) and undeducted expenditures of $8,020,000 (2002 - $10,658,000), which can be carried forward and may be used to reduce future years' net income for tax purposes.

The undeducted expenditures do not have an expiry date. If unused, the non-capital losses will expire as follows:

2004	$ 1,299,000
2005	6,484,000
2006	216,000
	$ 7,999,000

Glacier also has available capital losses of approximately $3,470,000, which can be carried forward and applied against future years' capital gains. The tax benefit of these capital losses has not been recognized in these financial statements.

The future income tax asset and liability balances are as follows:

	2003	2002
Future income tax assets		
Non-capital losses	**$ 2,428,000**	$ 2,938,000
Cumulative eligible capital	**1,400,000**	1,816,000
Undeducted expenditures	**1,010,000**	1,984,000
Property, plant and equipment and other	**406,302**	416,302
	$ 5,244,302	$ 7,154,302
Future income tax liabilities		
Non-deductible copyrights	**$ (5,224,385)**	$ (5,424,385)
Imputed interest on long-term debt	**(73,325)**	—
	$ (5,297,710)	$ (5,424,385)

14. RELATED PARTY TRANSACTIONS

During the year, the Company and its subsidiaries incurred administration, transaction and consulting fees of $471,357 (2002 - $466,478) from companies in which certain directors hold an equity interest, of which, $159,398 (2002 - $257,301) is included in accounts payable and accrued liabilities.

These transactions occurred in the normal course of operations and were measured at the exchange amount, which represented the amount of consideration established and agreed to by the related parties.

15. DEFRERRED PENSION ASSET

Hawker has two pension plans under which it provides retirement pension benefits to former employees. One of these pension plans, the "second plan", has two employee groups, each of which has their own surplus. The Company is not obligated to make any further contributions to the pension plans. The long-term deferred pension asset of $692,000 (2002 - $782,000) represents management's estimate of the amount of the surplus that may be realized upon settlement and wind-up of the pension plans.

In January 2003, the Company settled the amount of surplus to be realized under the first pension plan. Under the settlement agreement, the Company received $90,000 upon settlement with a potential to receive a further $260,000 over the next three years.

The Company is now negotiating a separate settlement for the surplus associated with one of the employee groups in the second plan as the Company no longer has rights to the surplus amount associated with the other employee group in the second plan. There is uncertainty as to when a settlement will be reached or whether the estimated pension asset of $692,000 will be realized.

The changes in the plans' assets and liabilities are as follows:

(a) Change in plans' assets

(in thousands)	
Market value of plan at January 1, 2003	$ 15,817,000
Actual return on plan assets	690,000
Benefits paid	(814,000)
Market value of plan at December 31, 2003	$ 15,693,000

(b) Change in benefit obligations

(in thousands)	
Benefit obligations at January 1, 2003	$ 9,081,000
Interest cost	520,000
Benefits paid	(814,000)
Benefit obligations at December 31, 2003	$ 8,787,000

The process for determining the pension-related obligations includes making certain long-term assumptions regarding the discount rate, which at December 31, 2003 is 6%.

16. CONTINGENCY

One of the Company's subsidiaries has been named in a lawsuit. Management believes the claim is without merit and is vigorously defending it. The outcome of this lawsuit cannot be predicted with any certainty at this point in time; however, the Company does have a liability accrued to cover any estimated costs to defend this action.

17. FINANCIAL INSTRUMENTS

(a) Foreign exchange

The Company realizes a portion of its revenue in U.S. dollars, and has entered into various foreign exchange contracts to manage this foreign exchange risk. The Company does not hold or issue financial instruments for trading purposes.

The Company previously entered into a five-year foreign exchange swap contract to sell U.S. dollars at an exchange rate of 1.4217, expiring January 31, 2005. Commencing January 2004 until expiry in January 2005, the Company will sell U.S.$610,000 per month. Based on the December 31, 2003, one-year forward exchange rate of 1.311 (2002 - 1.613), the unrecognized foreign exchange gain (loss) is:

	2003	2002
2004 contracts	**$ 808,000**	$ (1,407,000)
2005 contracts	**45,000**	(146,000)

(b) Credit risk

The Company is exposed to normal credit risk with respect to its accounts receivable as it carries accounts from many customers. The Company follows a program of credit evaluations of customers and limits the amount of credit extended when deemed necessary. The Company maintains provisions for potential credit losses, and any such losses to date have been within management's expectations.

(c) Interest rate risk

The Company's operating line of credit and long-term debt bear interest at variable rates. The Company does not use derivative instruments to reduce its exposure to this interest rate risk.

17. FINANCIAL INSTRUMENTS (continued)

(d) Fair value

The Company's financial instruments consist of cash, accounts receivable, accounts payable, bank indebtedness and long-term debt. The fair values of cash, accounts receivable and accounts payable approximate their carrying values due to their immediate or short-term maturity. The fair values of bank indebtedness and long-term debt approximate their carrying values due to the variable rates of interest charged.

18. SEGMENT DISCLOSURE

The Company and its subsidiaries operate in two distinct operating segments throughout the United States and Canada being the publication of agricultural information by GVIC and FBC and the distribution of technical information by Specialty Technical Publishers, a division of Glacier. All of the Company's assets are located in Canada. The following segment information is as at December 31, 2003 and 2002:

	2003				
	Agricultural Publications	Technical Publications	Other	Eliminations	Consolidated
Revenues					
Canada	$ 15,794,129	$ 3,686,794	$ —	$ —	$ 19,480,923
United States	1,190,389	8,221,619	—	—	9,412,008
					28,892,931
Earnings (loss) before interest, taxes, depreciation, amortization and corporate costs	5,136,936	2,437,558	—	—	7,574,494
Corporate costs	301,313	880,611	281,171	—	1,463,095
Earnings (loss) before interest, taxes, depreciation and amortization	4,835,623	1,556,947	(281,171)	—	6,111,399
Interest revenue	10,366	36,962	177,502	(28, 260)	196,570
Interest expense	(229,325)	(241,705)	(709)	28,260	(443,479)
Depreciation expense	579,803	44,412	2,835	—	627,050
Amortization expense	167,869	637,644	6,827	—	812,340
Income tax provision	1,464,000	258,500	57,274	—	1,779,774
Net income (loss)	2,404,992	411,648	(171,314)	(144,892)	2,500,434
Assets	30,144,649	32,719,532	8,844,061	(6,026,261)	65,681,981
Expenditures for property, plant and equipment	191,644	8,131	1,613	—	201,388
Expenditures for goodwill	8,940,410	—	—	—	8,940,410

	2002				
	Agricultural Publications	Technical Publications	Other	Eliminations	Consolidated
Revenues					
Canada	$ 13,928,512	$ 2,367,079	$ —	$ —	$ 16,295,591
United States	960,000	10,133,068	—	—	11,093,068
					27,388,659
Earnings (loss) before interest, taxes, depreciation, amortization and corporate costs	4,478,487	2,305,945	—	—	6,784,432
Corporate costs	437,596	950,093	365,894	—	1,753,583
Earnings (loss) before interest, taxes, depreciation and amortization	4,040,891	1,355,852	(365,894)	—	5,030,849
Interest revenue	20,767	191,069	28,279	(170,959)	69,156
Interest expense	(582,725)	(269,031)	—	170,959	(680,797)
Depreciation expense	382,197	70,742	—	—	452,939
Amortization expense	27,000	637,645	—	—	664,645
Income tax provision (recovery)	1,190,000	436,746	(84,601)	—	1,542,145
Write-down of portfolio investment	—	—	(692,938)	—	(692,938)
Net income (loss)	1,879,736	132,757	(945,952)	(840,641)	225,900
Assets	14,995,477	33,495,597	9,749,242	(6,576,118)	51,664,198
Expenditures for property, plant and equipment	—	8,154	—	—	8,154
Expenditures for goodwill	6,093,099	—	—	—	6,093,099

Corporate Directory

BOARD OF DIRECTORS

Bruce W. Aunger*
John S. Burns, Q.C.
Sam Grippo
Brian Hayward
S. Christopher Heming
Jonathon J.L. Kennedy
Michael Nobrega
Geoffrey L. Scott*
Robert Watters*
** Member of the Audit Committee*

OFFICERS

Sam Grippo,
Chairman
Jonathon J.L. Kennedy,
President & Chief Executive Officer
Orest Smysnuik, CA
Chief Financial Officer
Bruce W. Aunger,
Secretary

STOCK EXCHANGE

The Toronto Stock Exchange
Trading Symbol: GVC

TRANSFER AGENT

Computershare Trust Company of Canada
Toronto, Calgary and Vancouver

AUDITORS

Deloitte & Touche LLP

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